



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: David Sykes
Leslye Corsiglia

SUBJECT: SEE BELOW

DATE: February 24, 2014

Approved

Date

3/6/14

**SUBJECT: ACCEPTANCE OF THE ANNUAL PROGRESS REPORT ON THE
IMPLEMENTATION OF THE SAN JOSE GENERAL PLAN HOUSING
ELEMENT UPDATE**

RECOMMENDATION

Accept the Calendar Year 2013 Annual Progress Report on the Implementation of the San José 2007-14 Housing Element.

OUTCOME

The Council's acceptance of the Annual Progress Report is required prior to submitting the State-mandated report to the California Department of Housing and Community Development (HCD) and the Governor's Office of Planning and Research (OPR). Submittal of the report will allow the City to remain eligible for important State funding for housing, community development, transportation, and parks.

BACKGROUND

The Housing Element is an important State-mandated requirement of the General Plan. The Housing Element establishes comprehensive goals, policies, and programs to meet a jurisdiction's regional housing needs allocation (RHNA). The RHNA is determined by the Association of Bay Area Governments (ABAG) for and in coordination with the 101 jurisdictions and nine counties in the Bay Area.

San José's RHNA for the current planning period from January 2007, through June 2014, is 34,721 housing units, a 33 % increase from the prior RHNA cycle and equivalent to an annual production rate of 4,630 units. Consistent with other Bay Area cities, much of San José's increase is in the categories of Extremely-Low Income (ELI) households at or below 30% of Area Median Income (AMI) (at or below \$31,850 for a family of four), Very-Low (VLI) Income

households earning between 30% and 50% of AMI (between \$31,850 and \$53,050 for a family of four), and Low Income (LI) households earning between 50% and 80% of AMI (between \$53,050 and \$84,900 for a family of four). These categories serve those households with the greatest housing need.

The City of San José Housing Element 2007-2014 was adopted by the City Council on June 16, 2009, and certified by HCD on July 23, 2009. The Housing Element establishes the City's strategy for meeting community housing needs for the period beginning January 1, 2007, through June 30, 2014. While the Housing Element was certified as part of the City's previous San José 2020 General Plan, the City's updated General Plan Envision San José 2040 incorporates the City's current Housing Element and establishes a comprehensive policy framework to implement San José's residential strategies.

State law requires jurisdictions to prepare an annual progress report each calendar year to detail the implementation of their Housing Element and to submit it to OPR and HCD. While charter cities are not required to submit the report, all jurisdictions including charter cities must submit annual reports to qualify for certain funding programs. Accordingly, San José has consistently provided annual progress reports to the State on the implementation of the mandated Housing Element. The report:

- Provides an update on the progress of implementing the Housing Element, which was originally developed as part of the San José 2020 General Plan, but has since been incorporated into the City's new General Plan Envision San José 2040. Implementation items include the City's housing-related policies, ordinances, and programs to facilitate housing opportunities in safe, livable, and complete communities.
- Describes the City's accomplishments toward achieving its share of the RHNA.

With the acceptance of a completed annual report by the City Council, the City of San José submits the report to the California Department of Housing and Community Development (HCD) and the Governor's Office of Planning and Research (OPR). Subsequently, the City may apply for State funds such as those available through Proposition 1C, which has been an important source of funds for transit-oriented development and parks in San José.

ANALYSIS

In calendar year 2013, the City issued building permits for 3,705 units of new construction composed of 3,211 market-rate and 494 affordable units (see attached Report, Table A). The 3,705 units represent 80% of the City's annual RHNA goal of 4,630 units across all income categories. A closer look at the income categories shows that the City met 19% of its annual affordable housing goal of 2,570 units and about 156% of its annual market-rate goal of 2,060 units.

While the construction of 494 affordable homes is important, it falls far short of the need. Key tools such as the former 20% Low- and Moderate-Income Housing Fund and the Inclusionary Housing Ordinance have been removed or challenged, making it extremely difficult to facilitate the production of affordable housing. New affordable housing tools and funding strategies at the State, regional, and local levels are currently being explored. The City will continue to participate in those efforts that will advance San José's commitment to developing a variety of housing types for different income levels and needs.

As we near the end of the current 7.5 year RHNA cycle (from January 1, 2007 to June 30, 2014), the City has issued permits for 16,029 residential units, accounting for 46% of its total RHNA goal of 34,721 housing units. The City anticipates that it may only be able to meet half of its regional allocation by the end of this Housing Element cycle.

The recently approved Envision San José 2040 General Plan, which incorporates the HCD-certified Housing Element, includes capacity for 120,000 new housing units. While not all of this capacity is currently activated, there is sufficient capacity to meet the requirements of the current Housing Element planning period. Approximately 22,000 units have already received entitlements through the zoning or development permit stage, which counts towards the City's capacity for meeting its RHNA goal. In addition, through the "Urban Village" strategy and other goals and policies, the Envision 2040 General Plan supports compact, mixed-use development; preserving the Urban Growth Boundary; and promoting interconnected, sustainable, and complete communities.

The City is currently in the process of preparing the required update to the Housing Element of the next planning period (2014-2022). The City Council will consider the update prior to the required submittal in January 2015.

EVALUATION AND FOLLOW-UP

Upon Council's acceptance of this annual progress report, staff will submit the approved document to HCD and OPR by the State-mandated April 1, 2014 deadline.

PUBLIC OUTREACH/INTEREST

- ☐ **Criterion 1:** Requires Council action on the use of public funds equal to \$1,000,000 or greater. **(Required: Website Posting)**
- ☐ **Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**



Criterion 3: Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Although this item does not meet any of the above criteria, this report will be posted on the City's website for the March 11, 2014 Council meeting. The individual City programs and projects described in the attachment have had appropriate public outreach per City Council policy.

COORDINATION

This memo was prepared jointly by Planning, Building and Code Enforcement and the Housing Department, and was coordinated with the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

The current certified Housing Element aligns with the City's federal Consolidated Plan and the 5-Year Housing Investment Plan to facilitate the creation of a variety of housing opportunities affordable across a range of incomes. Additionally, the Housing Element is consistent with the Envision San José 2040 General Plan's strategies, goals and policies, in particular the General Plan's Major Strategies to:

- 1) Maintain a Greenline/Urban Growth Boundary;
- 2) Locate new housing and jobs into Focused Growth areas where existing City infrastructure, facilities, and services are located;
- 3) Promote the development of Urban Villages, Corridors and Regional Transit Hubs that are mixed-use pedestrian oriented communities that include a variety of housing types in locations adjacent to transit;
- 4) Design for a Healthful Community by building "complete" communities where many of one's daily needs can be met by walking or riding a bicycle; and
- 5) Promote Environmental Stewardship in part by reducing energy consumption and green house gas emissions by locating housing close to jobs and transit, thereby reducing the amount that San José residents need to drive.

HONORABLE MAYOR AND CITY COUNCIL

February 24, 2014

Subject: Acceptance of Annual Progress Report on Housing Element

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CEQA

Not a Project, File No.PP10-069(a), Annual Report.

/s/

DAVID SYKES

Interim Director of Planning, Building,
and Code Enforcement

/s/

LESLYE CORSIGLIA

Director of Housing

For planning related questions, please contact Laurel Prevetti, Assistant Director at (408) 535-7901. For housing related questions, please contact Leslye Corsiglia at (408) 535-3851.

Attachment: Annual Housing Element Progress Report – January 2013-December 2013

**Department of Housing and
Community Development**

ANNUAL HOUSING ELEMENT PROGRESS REPORT

City or County Name: City of San José

Mailing Address: 200 E. Santa Clara Street Tower 3rd Floor
San José, CA 95113

Contact Person: Laurel Prevetti, Assistant Director

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Reporting Period: January 1, 2013 through December 31, 2013

Progress Report on the Implementation Of the San José Housing Element Update - Calendar Year 2013

February 24, 2014

A. INTRODUCTION

Purpose

This report summarizes the City's progress towards meeting its RHNA goals and other housing objectives during the 2013 calendar year as set forth in its Housing Element. Upon City Council acceptance of the report, it will be forwarded to the California Housing and Community Development (HCD) Department and the Governor's Office of Planning and Research.

Background

California State law provides that each governing body prepares an annual report on the status and progress in the implementation of its Housing Element. The City of San José has successfully submitted annual progress reports on the implementation of the Housing Element to the HCD for review and evaluation. By providing this information, the City qualifies for important State housing, community development, transportation, and park funds.

State law also requires that jurisdictions include the Housing Element as one of the mandatory elements of a General Plan. The City of San José's current Housing Element, which was certified by HCD in July 2009, reflects the 2007-2014 planning period. The Housing Element identifies constraints to housing production, as well as establishes policies and programs in order to mitigate those constraints and to facilitate the production of housing opportunities to meet the needs of all economic segments of the community as determined through the Regional Housing Needs Allocation (RHNA) process.

The Association of Bay Area Governments (ABAG) is responsible for coordinating with and allocating the regional housing needs among each jurisdiction in the nine-county Bay Area. ABAG has determined that San José's fair share of the regional need for the planning period between January 1, 2007 through June 30, 2014 is 34,721 units across income categories. San José's allocation accounts for 58% of the total housing allocation for Santa Clara County and 16% of the nine county Bay Area region. These units are distributed among income categories as depicted in Table B and equal a total annual production goal of 4,630 total units, which is fifty percent higher than the actual annual average of 3,000 units produced in San José in the past thirty years.

While this annual allocation exceeds the annual production of housing that the City has ever achieved on a sustained basis – even during strong market conditions – the City is committed to facilitating the production of housing across income categories and to mitigating both governmental and non-governmental constraints that may unduly limit such production. To achieve these objectives, San José’s housing strategy includes careful planning for residential land uses at appropriate locations and densities. The strategy seeks to maximize housing opportunities on infill parcels already served by the City in order to utilize existing infrastructure, and at locations served by transit. The housing strategy also seeks to provide sufficient housing opportunities for new workers in order to encourage and support continued economic development, as well as access to housing for lower-income workers in occupations that support driving industries. San José is also planning for demographic and market shifts that indicate greater future demand for more urban forms of housing and neighborhoods.

City of San Jose Envision 2040 General Plan

This City of San Jose’s Envision 2040 General Plan incorporates the City’s current Housing Element and establishes a comprehensive policy framework that supports San José’s residential strategies identified in the Housing Element. A central component of the Plan is the development of new “Urban Villages” at strategic locations throughout the city so that a significant percentage of future housing growth is planned to occur as compact, pedestrian friendly, and transit-oriented development at infill locations. The Plan also reinforces the City’s environmental goals, such as preservation of the hillside areas outside of the City’s Urban Growth Boundary, so that all new residential development will occur within the City’s current Urban Growth Boundary. The Plan also includes a comprehensive and coordinated set of goals, policies, and implementation actions that link multiple objectives to promote the development of complete, inclusive, and equitable communities.

City of San Jose Department of Housing

The City’s Department of Housing partners with the development community and provides gap financing and technical assistance in order to facilitate the production, rehabilitation, and preservation of affordable units for lower- and moderate-income households. The Housing Department also collaborates with public, private, and non-profit partners in order to end homelessness, to serve special needs populations, to reduce foreclosures and help families stay in their homes, and to ensure regional fair housing practices.

San José’s affordable housing projects are recognized nationally for their quality designs, excellent management, community integration, and innovation. In 2011, the City was the first recipient of the Urban Land Institute’s Robert C. Larson Workforce Housing Public Policy award. The City was recognized as an exemplary local government that provides ongoing and sustainable support for the production, rehabilitation, or

preservation of workforce housing. Additionally, Casa Feliz, a LEED Gold new construction with 60 units serving extremely low-income households, won the 2012 California Redevelopment Agency (CRA) Award of Excellence in Sustainable Development, which recognizes projects and programs that are outstanding examples of the redevelopment process that have resulted in building better communities.

Housing Market Conditions

San José continues to be one of the most expensive housing markets in the nation. In 2013, the homeownership market made a strong recovery. Median housing prices in Santa Clara County are close to pre-recession highs, climbing 13% from 2012 and with tight inventory. Interest rates have risen slightly but continue to remain historically low, while foreclosure rates have declined significantly since the nadir of the housing market in 2009. Assuming a conservative but still historically low 4.5% fixed mortgage rate, 20% down, a 1.25% property tax rate, and standard utilities and mortgage insurance, the current median housing price of \$685,000 (as of December 2013) requires a downpayment of \$137,000 and an annual income of \$157,000, which is nearly twice as high as San José's median household income of \$80,090 (2012 American Community Survey, US Census). Additionally, saving for a 20% downpayment of about \$137,000 for the median priced home, while paying astronomical rents, as detailed in the next paragraph, puts additional burden on the first-time homebuyer and makes it impossible for many to attain homeownership.

San José also exhibited continued strength in its rental market, with average monthly rents over \$2,000 representing an annual increase of 11% and raising concerns that rents are growing increasingly beyond the reach of lower-income households and even many middle-class households. As such the US Census Bureau in an April 2013 report identified the San Jose metropolitan area as the most expensive residential rental market of the country's fifty largest regions.¹ Using a 30% income standard for housing costs including utilities, a San José service worker household would need an income of over \$73,000 to afford the rent of a one-bedroom unit, which is more than a retail salesperson, a bank teller, or a pre-school teacher typically earns. While the rate of rent increases has recently shown signs of leveling off, the cost to rent in San José is still at an all-time high. Indeed, over fifty percent of renter households in San José experience a housing burden defined as spending more than thirty percent of their income on housing costs (US Census). This level of housing burden makes it challenging for renters to save for the high downpayment required to purchase a home. In response to the strong housing market, the City issued 3,705 residential permits – mostly for market rate rental developments – the highest level since the beginning of this RHNA period.

The broader economy has also rebounded along with the housing market. This particular recovery has been characterized by job creation in high-skilled, high-wage occupations as well as in low-skill, low-wage employment, but middle-class jobs have not returned. As

¹ <http://www.census.gov/prod/2013pubs/acsbr11-07.pdf>

low-wage employment increases, the challenge of housing affordability affects more households and families.

Yet, financial challenges across all levels of government have severely reduced the ability of the public sector to help house lower-income households. The primary challenge for affordable housing in California is that the loss of redevelopment agencies eliminated the most important revenue stream for much needed low- and moderate-income housing, and that funding has not been replaced. The decrease in federal funding for housing and community development has added to the challenges. Finally, other tools such as San José's rental inclusionary housing programs are suspended due to the *Palmer* decision. While the City's inclusionary program for for-sale homes in former redevelopment areas is currently active, city-wide inclusionary housing ordinance has been suspended as the result of a legal challenge. While the City prevailed at the appellate level, the appeal of that decision is anticipated to be heard in the California Supreme Court in late 2014. The City continues to strongly defend its ability to use these important tools and will remain fully engaged in the litigation. Staff continues to implement existing affordable housing programs while exploring new tools, funding mechanisms, and partnerships to help support the City's commitment towards facilitating the provision of affordable housing in order to achieve its RHNA goals.

B. ANNUAL BUILDING ACTIVITY SUMMARY FOR VERY LOW-, LOW-, AND MODERATE-INCOME UNITS AND MIXED INCOME MULTIFAMILY PROJECTS (TABLE A, A2)

In calendar year 2013, the City issued building permits for 3,705 units composed of 3,211 market-rate and 494 affordable units. (See Table A) This total represents 80% of the City's annual RHNA goal of 4,630 units across all income categories. (See Table B) While the City exceeded its annual goal of 2,060 for above-moderate income units (156% of RHNA goal), the 494 below-market permits represents just 19% of its affordable housing goal of 2,570 units. This disparity reflects the renewed strength of market-rate housing market and the challenges in the provision of affordable housing.

C. ANNUAL BUILDING ACTIVITY SUMMARY FOR ABOVE MODERATE-INCOME UNITS (TABLE A3)

During calendar year 2013, the City permitted a total of 3,211 above moderate-income units. Most of the developments pulling permits were rental projects, reflecting an extremely strong rental market and rapidly rising rents. New multifamily construction being built in North San José and Downtown indicate an interest in mixed-use, transit-oriented and higher-density urban living.

Conversely, home prices which approached the all-time highs recorded in 2006, have cooled off in the last few months and seem to be stabilizing. However, the supply of homes (both foreclosed and regular sales) remains tight and interest rates are rising,

although they are still low. If the economy and the job market continue to strengthen, the housing market is expected to improve as well.

Even though the growth in median home price is stabilizing, many first-time buyers find that prices already out of their reach. Affordability is a big concern as rents and housing prices continue to remain high.

D. REGIONAL HOUSING NEEDS ALLOCATION PROGRESS (TABLE B)

Table B depicts San José's progress in achieving its RHNA goals. While the City of San José surpassed its total 1999-2006 RHNA goals, its ability to achieve its RHNA goals in the current cycle was impacted by the elimination of redevelopment agencies and other tools as mentioned above. Although in CY 2013 the City permitted the highest number of dwelling units since the beginning of this RHNA cycle, those were primarily market rate units. For the seven calendar years (January 1, 2007 to December 31, 2013) of the current RHNA period, 16,029 total residential units have been added. If this rate remains, it is anticipated that San José may meet or exceed half of its RHNA goal for this cycle, largely driven by new supply for market-rate housing.

Looking at San José's progress by subcategories, the City has met 85% of its cumulative above-moderate income housing goal but only 15% of its cumulative affordable housing goal. Thus, above-moderate (i.e., market-rate) housing has been the primary driver of San José's progress towards meeting its overall RHNA goal, although affordable housing developments represented the majority of residential permits pulled during the worst period of the economic recession.

In spite of reduced funding for below-market rate units, San José has facilitated the creation of over 2,900 new affordable housing units in the current RHNA cycle, which is approximately 15% of the total RHNA units produced. These units provide important affordable housing options to San José's community and workforce. The City continues to advance affordable housing initiatives in order to provide access to housing opportunities across incomes and to support economic growth in San José.

The City has been proactive in planning for additional housing to meet the needs of existing and future residents. In 2011, the City approved its Envision San José 2040 General Plan, which includes long-term capacity for 120,000 new housing units. While only a portion of this total capacity is currently activated, it does include sufficient residential capacity to meet the requirements of the current RHNA. Of this total capacity, approximately 10,000 units have already received entitlements through the zoning or development permit stage and can thus be counted towards the City's capacity for meeting its RHNA goal.

Actual construction of the units in this pipeline will depend on market forces. However, the City has an important role in mitigating constraints to housing production across income levels through the implementation of existing and new housing programs and

process improvements. The City will continue to work creatively and collaboratively with both internal and external partners in order to develop strategies and financial tools to help facilitate the development of affordable housing and, therefore, improve its ability to proactively support the City's efforts to meet its housing needs and drive economic growth.

E. PROGRAM IMPLEMENTATION STATUS (TABLE C)

Table C provides a complete list and status report on the City's programs to assist low-income renters and homebuyers. Additionally, San José continues to adopt Zoning Ordinance changes to streamline housing production and to facilitate the creation of affordable housing.

Attachment: Annual Housing Element Progress Report – Housing Element Implementation Tables A-C.

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction
City of San José
Reporting Period
1/1/13 - 12/31/13

Table A
Annual Building Activity Report Summary - New Construction
Very Low-, Low-, and Mixed-Income Multifamily Projects

Housing Development Information											Housing with Financial Assistance and/or Deed Restrictions	Housing without Financial Assistance and/or Deed Restrictions
1	2	3	4					5	5a	6	7	8
			Affordability by Household Incomes									
Project Identifier (may be APN No, project name or address)	Unit Category	Tenure R=Renter O=Owner	Extremely Low-Income (11)	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	Total Units per Project	Est # Infill Units	Assistance Program for Each Development See Instructions	Deed Restricted Units See Instructions	Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions.
Ford & Monterey Family	5+	R	38	21	15		1	75		RDA, NSF2, TCAC		
La Moraga	5+	R		57	33		185	275		TCAC, CDLAC, Development Agreement		
San Carlos Seniors	5+	R	30	64			1	95		RDA, TCAC		
Orvieto B	5+	R		11	94		1	106		TCAC, CDLAC		
Third Street Residential	5+	R			36		1	37		TCAC, CDLAC, IIR, Cal Rel-Jos		
Village Park /Ascent Apts/Hitachi (She	5+	R		17	78		555	650		Development Agreement		
								0				
(9) Total of Moderate and Above Moderate from Table A3			68	170	256	0	2,467	2,467				
(10) Total by income units Table A /A3								3,705	0			

Table A2
Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65883.1(c)(1)

Please note: Units may only be credited to the table below when a jurisdiction has included a program it its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65883.1(c)(1)

Activity Type	Affordability by Household Incomes				TOTAL UNITS	(4) Description of Activity Including Housing Element Program Reference
	Extremely Low-Income (1+)	Very Low-Income	Low-Income	Moderate-Income		
(1) Rehabilitation Activity					0	
(2) Preservation of Units At-Risk					0	
(3) Acquisition of Units						
(5) Total Units by Income	0	0	0	0	0	

Table A3
Annual building Activity Report Summary for Above Moderate-Income Units
(not including those units reported on Table A)

	1. Single Family	2. 2 - 4 Units	3. 5+ Units	4. Second Units	5. Mobile Homes	6. Total	7. # of Infill units
No. of Units Permitted for Moderate						0	
No. of Units Permitted for Above Moderate	265		2,187	15		2,467	

Table B

Regional Housing Needs Allocation Progress
Permitted Units Issued by Affordability

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example		RHNA Allocation by Income Level		2007	2008	2009	2010	2011	2012	2013	2014	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Income-Level				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8		
Extremely low	Deed Restricted	3,876		67	76	136	151	7	112	68		617	3,259
	Non-deed Restricted											0	
Very-Low	Deed Restricted	3,875		121	291	167	262		146	170		1,157	2,718
	Non-deed Restricted											0	
Low	Deed Restricted	5,322		288	212		45		237	256		1,038	4,284
	Non-deed Restricted											0	
Moderate	Deed Restricted	6,198		100	37	7						144	6,054
	Non-deed Restricted											0	
Above-Moderate		15,450		1,925	1,700	88	2,006	1,046	3,097	3,211		13,073	2,377
Total RHNA by COG. Enter allocation number:		34,721											
Total Units				2,501	2,316	398	2,464	1,053	3,592	3,705	0	16,029	18,692
Remaining Need for RHNA Period													
Note: The City of San Jose is not able to track the affordability of non-deed restricted units. Based on economic conditions and the variety of dwelling units in the City, there are likely to be some dwelling units that are not deed-restricted that are affordable to Moderate or Low-Income households.													

Note: The City of San Jose is not able to track the affordability of non-deed restricted units. Based on economic conditions and the variety of dwelling units in the City, there are likely to be some dwelling units that are not deed-restricted that are affordable to Moderate or Low-income households.

Table C

Program Implementation Status

Program Description (By Housing Element Program Names)	Housing Programs Progress Report - Government Code Section 65583. Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement and development of housing, as identified in Housing Element.		
Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
<p>HOMEOWNER PROGRAMS:</p> <p>Housing Rehabilitation Program - Single-Family Home Loan Program: Households earning no more than 80% of the County Area Median Income (AMI) may qualify for loans up to \$150,000 to rehabilitate their homes. Eligible properties within the City's Strong Neighborhoods Initiative (SNI) Areas qualify for a 0% interest loan up to \$150,000. Properties not within the SNI areas may be eligible for a 3% loan. A maximum \$40,000 zero-percent loan is available to low-income (80% of AMI) owner-occupants on a City-wide basis. Qualifying rehabilitation work includes achieving compliance with the health and safety standards of the City's Housing Code, repairing or replacing structural deficiencies, and energy conservation measures. Payments on most HPP loans may be deferred until transfer or change of title.</p>	<p>As a goal, 50% of HPP are to be spent in Strong Neighborhood Initiative (SNI) areas of the City which are characterized by higher concentrations of lower-income households and older housing stock in the greatest need of rehabilitation. Annual goal is to complete between 20 and 30 single-family loan projects per year. Additional emphasis is now being given to energy conservation, and the use of recycled and Green materials in the program. Increase the number of rehabilitation loans - the goal is for the loans to exceed 50% of total rehabilitation dollars approved each year.</p>	Ongoing Program	Due to ongoing funding challenges including the elimination of the State's Redevelopment agencies and continued reductions in federal funding, the City has shifted its funding priorities over the last three years. The City has continued to fund the Single-family loan program though 2013; however because of limited funding, fewer loans will be funded (between 15 and 20 loans); funding limitations also require a higher concentration of loans to be targeted within the City's SNI areas.

Table C
Program Implementation Status

Program Description (By Housing Element Program Names)	Housing Programs Progress Report - Government Code Section 65583. Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement and development of housing, as identified in Housing Element.		
Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
Housing Rehabilitation Program – Single-Family Homeowner Grant Program: Homeowners earning up to 80% of the County Area Median Income (AMI) may apply for a one-time grant from the City’s Housing Department to address health and safety needs, disabled access and energy efficiency. The City provides one-time repair grants of up to \$15,000 in SNI areas and \$5,000 in non-SNI areas. The maximum grant amount is graduated based on the income of the applicant household. This program is administered on a “Needs Basis” and primarily serves single-family owner-occupied homes. The grant is offered to owners with eligible repairs that are minor in nature providing all health and safety issues can be addressed with the grant. Additional funds of up to \$5,000 may be made available for energy efficiency upgrades based on the results of an energy audit. Energy efficiency funds are provided in conjunction with other rehabilitation funding only. The program also offers grants of up to \$10,000 to ensure that low-income seniors and special needs clients receive adequate funding to address accessibility needs. . If more repairs are required to address health and safety needs, the applicant will be referred to the Housing Preservation Program.	Goal is to spend 50% of rehabilitation funds in SNI neighborhoods and to serve lower-income residents.	Indefinitely suspended	Due to ongoing funding challenges including the elimination of the State’s Redevelopment agencies and the continued reductions in federal funds the City suspended the homeowner grant Program prior to January 2013.
Minor Grants for Minor and Urgent Repair Needs Partially funded through the City’s Housing Department Rebuilding Together Silicone Valley provides both direct and contracted services for minor and urgent repairs to household earning below 80% of the Areas Median Income (\$75,050 for a family of 4). The Program deploys contractors to assist eligible households with urgent repair	To provide emergency contractor services to mitigate health and safety emergencies for San Jose’s low-income mobilehome and single-family property owners.	Ongoing Program	The program, once administered by the City, is currently administered through the non-profit Rebuilding Together

Table C

Program Implementation Status

Program Description (By Housing Element Program Names)	Housing Programs Progress Report - Government Code Section 65583. Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement and development of housing, as identified in Housing Element.		
Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
needs such as plumbing leaks, hazardous electrical, and furnace replacements in Winter.			Silicon Valley.
Mobilehome Repair Loan Program: Owner occupants of mobilehomes earning up to 80% of the County Area Median Income may apply for a 0% rehabilitation loan up to \$20,000. Very low-income and extremely low-income mobilehome owners may apply for a one-time grant of up to \$15,000. Qualifying rehabilitation work is limited to those measures necessary to achieve compliance with State Health and Safety standards and applicable park regulations.	Completion of approximately 120 - 140 mobilehome rehabilitations is expected annually. Mobilehome budget is to kept to within 25% of Rehabilitation budget.	Indefinitely suspended	Due to ongoing funding challenges including the elimination of the State's Redevelopment agencies and the continued reductions in federal funds the City suspended the Mobilehome loan Program prior to January 2013
Mobilehome Seismic Repair Program: Owner occupants of mobile homes located in previously identified mobile home parks with a high concentration of units that are not structurally braced would qualify for seismic bracing of their mobile homes. 650 individual mobile homes will be retrofitted under this FEMA/CalEMA grant. Existing Rehabilitation Program Staff, systems and standards to ensure that the retrofit work is being properly reviewed, tracked and completed in accordance with all program requirements.	Completion of 650 mobilehome seismic retrofits prior to October 2013.	Ongoing Program	After demonstrating ongoing success of the program and cost savings over the first three years, FEMA granted the City an extension of the expenditure timeline to allow the City to retrofit an additional 200 mobilehomes. The new program goal is to

Table C
Program Implementation Status

Program Description (By Housing Element Program Names)	Housing Programs Progress Report - Government Code Section 65583. Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement and development of housing, as identified in Housing Element.			
Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation	
			retrofit 850 mobilehomes by October 2014.	

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HOMEBUYER PROGRAMS:			
First-Time Homebuyers Mortgage Credit Certificates (MCC): In cooperation with the County, the City offers Mortgage Credit Certificates (MCC) to qualified buyers. An MCC enables qualified first-time buyers to reduce the amount of their federal income tax liability by a specified percentage of the interest rate they pay on their first mortgage loan. This amount is currently set at 15%.	Assist first-time homebuyers	Ongoing Program	The County will continue to administer the MCC program.
Building Equity and Growth in Neighborhoods (BEGIN): Grant funds made available through Proposition 46 and Proposition 1C are used to provide second mortgage assistance in loan amounts up to \$30,000 or 20% of the sales price (depending on specific grant terms), for low- and moderate-income first-time homebuyers in specific new for-sale developments that have received regulatory relief from the City.	Assist low- and moderate-income first-time homebuyers	Ongoing Program	In 2013, 12 new BEGIN loans were originated for \$1.2M of City loans.
WelcomeHOME Program: In August 2008, the City implemented a program that provides 30-year second mortgages of up to \$25,000 for lower -Income homebuyers in the form of a deferred repayment loan. This loan may be layered with other forms of downpayment assistance to help homebuyers purchase a home within San Jose's municipal boundaries.	Assist lower-income homebuyers	No longer available	In the past years, the City used CalHOME funds for the Welcome Home program. However, CalHOME funds have now been allocated to the City's

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Teacher Housing Program: This program provides a deferred equity-share loan of up to \$50,000 to low- and moderate-income San José public school teachers. The loan is offered at a zero-percent interest rate and is not due until transfer of the title to the home or in 45 years.	Assist in the recruitment and retention of San Jose K-12 public school teachers.	No longer available	Home Repair program and are no longer available to fund this program. Over 700 teachers received City loans during the term of the program. The City concluded the program as of June 30, 2011, although teachers are still served through other homeownership efforts, including the BEGIN and NSP2 programs, subject to the depletion of these funds.
Project-based Second Mortgages: The City provides 45-year second mortgages in varied amounts for low and moderate-income homebuyers in ownership housing projects for which the City has previously provided financial assistance for development. Moving forward, the City does not intend to provide predevelopment and construction financing for for-sale projects. Instead, the City may offer second mortgages to qualified homebuyers	Assist low- and moderate-income homebuyers	No longer available	This program concluded on June 30, 2011.

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once the project is complete.				
The Home Venture Fund (Formerly Vernal Fund): Private lenders entered into an agreement with NHSSV, a nonprofit organization, to provide down-payment assistance loans to both low- and moderate-income homebuyers. Loan amounts range from \$10,000 to \$60,000 per household with an average loan amount of \$40,000. Interest derived from grants is used to make interest payments on behalf of the borrower during the five-year loan deferral period. At year five, the loans are sold to NHSA and the proceeds invested into new second mortgages.	Assist low- and moderate-income homebuyers	Ongoing Program	No new loans were provided through this funding source in calendar year 2013	
American Dream Down-Payment Initiative: As part of the Federal Home Investment Partnership (HOME) sub-program, the City of San José has received over \$600,000 since 2002 to be used for down-payment assistance for low-income first time homebuyers.	Assist low-income first-time homebuyers	No longer available	The City has not received any federal allocation of ADDI funds recently. This program is a subset of the federal HOME program. Funds for this program were deemed duplicative of the eligible uses of HOME funds so future funding for separate ADDI allocations are highly unlikely.	

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<p>The San José State University (SJSU) Faculty and Staff Homebuyer Program: In 2006, the City entered into an agreement with San José State University to jointly-fund and administers a homeownership program for University faculty. The program was later broadened to include all SJSU full-time permanent employees. The program offers up to \$50,000 to income eligible employees in the form of a deferred repayment loan.</p>	Assist in the recruitment and retention of university employees.	No longer available	This program concluded June 30, 2010.	
<p>Redevelopment Area Inclusionary Housing Program: Through the City's Redevelopment Area Inclusionary Housing Program, housing developers in City redevelopment areas are required to provide a second mortgage to low-and/or moderate-income homebuyers to make units affordable.</p>	Assist low- and moderate-income homebuyers	Ongoing Program	The City's Redevelopment Area Inclusionary Housing Program is in effect and requires affordable housing in newly constructed for-sale housing projects with more than 10 units. To address the <i>Palmer</i> case, the inclusionary housing requirements for rental housing have been suspended until such time as the limitation in the <i>Palmer</i> decision is	

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<p>Citywide Inclusionary Housing Program In 2010, the City of San Jose approved a Citywide Inclusionary Housing Ordinance that required affordable housing obligations on all new for-sale developments of 20 or more units. The ordinance was expected to go into effect on January 1, 2013, and would have required</p>	<p>Assist low- and moderate-income homebuyers</p>	<p>On Hold</p>	<p>overturned or modified by another court or by the legislature. In 2013, this program helped create 74 Very Low- and 111 Low-Income units. Additionally, the program has also provided a source of funding for affordable housing through in-lieu fees collected when developers opt out of the providing affordable units by paying fees. In the past year, developers have opted to pay approximately \$7 million in in-lieu fees.</p>
<p>Citywide Inclusionary Housing Program In 2010, the City of San Jose approved a Citywide Inclusionary Housing Ordinance that required affordable housing obligations on all new for-sale developments of 20 or more units. The ordinance was expected to go into effect on January 1, 2013, and would have required</p>	<p>Assist low- and moderate-income homebuyers</p>	<p>On Hold</p>	<p>As of 2012, the Citywide Ordinance is being litigated.</p>

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that 15% of the units built citywide will be affordable.				

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HOMELESS SERVICES PROGRAMS:			
Emergency Solutions Grant Program (ESG): ESG is a federally funded program designed to support programs aimed at ending homelessness. The City contracts with multiple homeless service providers to administer the ESG program. The program provides homeless persons with outreach and engagement services, basic shelter and essential supportive services such as operational costs of a shelter facility, case management and temporary rental subsidies. The program also supports the Homeless Management Information System (HMIS) that monitors outcomes and performance measures for all the homeless services agencies funded by the City.	Assist homeless individuals, families and victims of domestic violence in meeting their immediate emergency needs with the ultimate goal of becoming permanently housed.	Ongoing Program	Continue to implement program.
Community Development Block Grant (CDBG): CDBG is a federally funded program designed to implement services that benefit low- and moderate-income persons, resolve slum and blight concerns, or address community development needs. The City funds various nonprofit agencies and other city departments to administer the CDBG program. CDBG funds several programs aimed at ending homelessness; services include homeless outreach and engagement, employment development, case management and temporary rental subsidies.	Assist homeless individuals, families and victims of domestic violence in meeting their immediate emergency needs with the ultimate goal of becoming permanently housed.	Ongoing Program	Continue to implement program. Funding has been severely reduced over the past several fiscal years.
Housing Opportunities for People with AIDS or HIV (HOPWA): HOPWA is a federally funded program designed to provide housing	Assist homeless and at-risk residents with HIV/AIDS to become permanently housed.	Ongoing Program	Continue to implement program.

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assistance and supportive services to low-income individuals and families living with HIV/AIDS. The City contracts with local service agencies to provide tenant-based rental assistance, housing information and case management to eligible households.	housed.		
Housing Trust Fund: In June 2003, the Mayor and City Council established a Housing Trust Fund which was previously known as the Housing and Homeless Fund. Housing Trust funds can be used for a variety of activities that support the City's goal of ending homelessness, including personnel support, outreach and engagement services, and case management support. HTF supports the County-wide campaign to end chronic homelessness and continues to fund studies and plans that are used to implement strategies and innovative programs.	Assist nonprofit homeless service providers to provide homeless persons with the support needed to become permanently housed.	Ongoing Program	Continue to use funds towards the City's goal of ending homelessness
Homeless Encampment Program: The City is coordinating with outside agencies across sectors to address the homeless encampment issue in San Jose, including developing and implementing new clean-up protocols, deterrence, and prevention activities, as well as seeking additional opportunities to provide housing and services to the encampment residents.	Mitigate community, environmental, and health impacts of homeless encampments, while seeking alternative housing solutions for the homeless.	Ongoing	Continue to implement program
Housing Services Partnership (HSP): The City contracts with a local homeless services provider to administer the HSP program, which is funded by the Housing Trust Fund. This program provides chronically homeless persons with financial	Assist chronically homeless persons to attain and maintain permanent housing.	July 2005 - June 2011	Program extended through 2014 but with no additional funding

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assistance in the form of first month's rent, security deposit, and one-way greyhound tickets.			
Homelessness Prevention and Rapid Re-Housing Program (HPRP): HPRP is funded program through the American Recovery and Reinvestment Act (ARRA). It is designed to rapidly re-house homeless residents and prevent homelessness for at-risk residents. The program provides just enough short and medium-term financial assistance and case management to resolve the crises and re-stabilize the households.	Assist homeless and at-risk residents to become self-sufficient, and become permanently housed.	October 2009 -October 2012	Program ended in July 2012.
Tenant-Based Rental Assistance Program (TBRA): The City administers three TBRA programs utilizing its federal HOME program funds as described below. The program provides participants with housing search, placement, security deposit and rental assistance. The City funds a local nonprofit to provide the day to day administration of the programs. 1. TBRA I is designed to provide housing and support services to chronically homeless mentally ill residents. The City has partnered with the Santa Clara County Department of Mental Health to provide case management services to program clients. 2. TBRA II is a pilot program targeting chronically homeless households, who have substance abuse issues, and reside in and around St. James Park in San Jose. The City has partnered with the County Department of Drug and Alcohol Services to provide case management and services to program clients.	Assist homeless persons to attain and maintain housing.	October 2009 - June 2015.	Continue to Implement and oversee programs.

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3. TBRA III is a program targeting households residing in selected San Jose homeless encampments. The City is partnering with several nonprofit homeless service agencies to provide case management to program clients.			

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NEIGHBORHOOD IMPROVEMENT PROJECTS:			
Strong Neighborhood Initiative (SNI): The City furthered its interdepartmental neighborhood improvement efforts through the Strong Neighborhoods Initiative (SNI). An expansion of the successful Neighborhood Revitalization Strategy, SNI involves several City departments, including the Planning and Housing Departments. SNI, launched in spring of 2000, combines the efforts of several City Departments and the Redevelopment Agency to identify improvements and services needed to revitalize declining neighborhoods throughout the City. Nineteen target areas were designated as improvement areas. Physical improvements are expected to be funded through existing City programs (including Housing Rehabilitation Programs), and Community Development Block Grants. The City's Strong Neighborhoods Initiative is no longer in operation. However, San José recognizes the importance of a coordinated effort to strengthen neighborhoods and as established a place-based strategy to concentrate public investment and resources in three neighborhoods where there is a demonstrated need, opportunity to make substantial changes and strong community partnerships to sustain that progress. These neighborhoods include: 1. Santee/McKinley in partnership with Franklin McKinley Children's initiative 2. Mayfair in partnership with Somos Mayfair	Continue to focus resources within the 19 SNI areas. Strive towards goal of spending 50% of single-family rehabilitation funds in SNI areas. The primary focus of the new Place-Based Strategy is to address the needs of the selected neighborhoods by creating a coordinated effort to provide services that create clean, safe, and engaged communities. All aspects of neighborhood condition are explored, including crime, blight, and infrastructure.	With the elimination of the State's redevelopment agencies, the City discontinued implementation of the Strong Neighborhood Initiative in 2012. However, the priority of neighborhood revitalization continues in the form of the City's place-based Initiative.	In an effort to continue support of neighborhood efforts, the City shifted the funding priorities of its annual allocation of federal Community Development Block Grant funds. In December 2011 the San Jose City Council authorized the City's Department of Housing to fund and implement a Place-Based Neighborhood Initiative. The Initiative targets a portion of the City's annual CDBG funds to three neighborhoods.

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<p>3. Five Wounds / Brookwood Terrace in partnership with CommUniverCity (with the potential for expansion as CommUniverCity expands to other Downtown neighborhoods)</p> <p>Strong Neighborhoods Initiative (SNI) Project Alliance – (formerly known as Multi-Family Demonstration Projects): Project Alliance/Special projects is a subset of the City's Strong Neighborhood Initiative program directed toward the revitalization of specific multi-family neighborhoods. Four neighborhoods were selected for improvement through Project Alliance. These neighborhoods were Jeanne/Forestdale (Five Wounds / Brookwood Terrace), Virginia/King (Mayfair and Gateway East), Roundtable Drive Apartments (Edenvale/Great Oaks), and Underwood Apartments (Blackford).</p>	<p>The goals of Project Alliance include working collaboratively with property owners, tenants, various City Departments, and other entities to achieve the effective delivery of City Services, build leadership, and create an attractive, livable and sustainable community while preserving the existing affordable housing stock within that community.</p>	<p>Completed. Funding is no longer available to continue the program</p>	<p>During this period, eight buildings (32 units) received exterior improvements. In addition, one 58-space mobilehome park received infrastructure upgrades that included repaving and sealing, electrical, plumbing, NG safety and re-pipe, and the replacement of security lighting with LED lighting. No funding sources have been identified to continue the program.</p>
<p>Neighborhood Stabilization Program: The Housing Trust of Santa Clara County (HTSCC), City of San Jose and Neighborhood Housing Services Silicon Valley (NHSSV) have formed the San Jose Consortium (Consortium) to apply for and</p>	<p>Acquire and rehabilitate homes that were previously foreclosed or abandoned. Then, the City's partners sell the homes to moderate or low-income first-time buyers</p>	<p>All funding must be spent by February 11, 2013.</p>	<p>After meeting the Program's statutory expenditure deadlines, the NSP consortium</p>

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<p>administer a \$25 million grant for the NSP, made available by the Department of Housing and Urban Development (HUD) under the American Recovery and Reinvestment Act (ARRA) of 2009. The main objectives of this grant are to stabilize neighborhoods in the Target Geography by reducing the number of foreclosed or abandoned homes and residential properties and to create affordable housing opportunities for very-low, low- and moderate-income households. The Consortium will provide secondary financing to income eligible purchasers of foreclosed homes and will purchase and rehabilitate foreclosed or abandoned homes in the Target Geography. The program also provides funding for rental affordable housing developments.</p>	<p>for owner-occupancy purposes. The goal of the Consortium is to assist in the purchase of no less than 205 foreclosed properties or units for the purpose of creating affordable homes.</p>	<p>However, the City is allowed to continue the program for up to 5 years using NSP2 program income (residual proceeds)</p>	<p>continued to implement the NSP2 grant primarily utilizing Program Income generated from the sale of NSP funded homes. The Consortium re-evaluated the original implementation and program goals and realigned strategies. The new program projections include:</p> <ul style="list-style-type: none"> ▪ PAL - 51 units ▪ Dream Home 41 Units ▪ 25% set aside 175 units <p>Currently the PAL program is no longer funding loans. The Dream Home Program is completing construction of the final five homes. Taylor Oaks (58 units) was</p>

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			completed in 2012. The Ford and Monterey Supportive Services (20 units) project is complete and F&M Family (74 units) is midway through construction.

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HOUSING DEVELOPERS / INVESTMENT PROPERTY OWNERS:			
Predevelopment Loan Program: The Predevelopment Loan Program is designed to assist housing developers with funds necessary to explore the feasibility of a proposed housing project. Under this program, developers may apply for option fees and preliminary environmental or design studies. Interest rate to be charged will reflect a minimum of the City's actual cost of funds as well as what rate is necessary to promote project feasibility. Principal and interest repayment is due at the close of escrow on construction loans or within two years.	As resources allow, invest limited amount to support future feasible development projects.	Ongoing Program subject to funding availability	Given the State's elimination of 20% Redevelopment funds, the City may provide limited predevelopment funds if available. In 2013, the City approved two projects for Predevelopment loans.
Project Development Loans for Acquisition, Construction, Permanent, and Acquisition/Rehabilitation: Below-market rate gap loans and grants for acquisition, construction and permanent financing are made to both for-profit and nonprofit developers. These loans, typically subordinated to the primary lender's loan, provide funding for apartments for families, seniors, small households, and special needs populations including the homeless. Loans are made for land acquisition, construction, and permanent needs. Permanent loans are repaid out of net cash proceeds during the projects' operations. Funding for the acquisition and rehabilitation of existing Apartment projects focuses on blighted properties where rehabilitation would a	Focus the majority of available project funds on new construction of affordable rental projects with existing entitlements that have been stalled give the elimination of Redevelopment and shortage of other public subsidies. Consider other uses including acquisition/rehabilitation projects, and the preservation of existing affordable units.	Ongoing Program	Given the State's elimination of 20% Redevelopment funds, the City will explore a variety of creative arrangements and strategies to continue to foster the development of much-needed restricted affordable housing.

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<p>have significant revitalizing impact on the surrounding neighborhood, on those projects with expiring Housing and Urban Development (HUD) loans and rent restrictions ("preservation" projects), on those projects involving extraordinarily low subsidy levels, and on those projects incorporating at least 10% ELI units with reasonable costs to the City.</p> <p>Funding for preservation of existing affordable projects is considered on a case-by-case basis, seeking to maximize leveraging of non-City sources of funds and to meet the City's policy objectives of supporting ELI units and fiscal sustainability.</p>			
<p>City as "Developer": State law stipulates that affordable housing (along with parks and public education) have priority for surplus property owned by any public agency created under State auspices. The Housing Department seeks to purchase such properties owned by the City of San Jose, the Valley Transportation Authority (VTA), CalTrans, the 19 school districts in San Jose, the Santa Clara Valley Water District and other public agencies for housing development. Properties so acquired are subsequently transferred or leased to nonprofit and for-profit developers for the construction of affordable housing projects</p>	Continue to seek opportunity sites for affordable housing with a focus on rental special needs units	Ongoing Program	No new land purchases are anticipated at this time. For those sites that the Department has already acquired, those for which financing is assembled may proceed.

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PROCESS IMPROVEMENTS			
1. Envision San Jose 2040 General Plan The City of San Jose had not performed a comprehensive update of its General Plan since 1994. An update was needed to address future housing needs and appropriately balance these needs with goals for job growth and improved fiscal sustainability.	Prepare a comprehensive update of the General Plan.	Completed / Ongoing	On November 1, 2011, the City Council adopted the Envision Plan, and the City's efforts to implement the Plan are ongoing.
2. Zoning Code Amendments Title 20 of the San Jose Municipal Code, otherwise known as the Zoning Ordinance or Zoning Code, is continually reviewed to identify opportunities to reduce constraints and streamline processes without diminishing the City's ability to achieve its overall land use goals.	Reduce constraints on housing development.	Ongoing	Since State certification of the City's Housing Element in 2009, numerous housing-related ordinances have been adopted per this work program item.
3. Secondary Units In 2005, the City Council initiated a Secondary Unit Pilot Program to temporarily test and evaluate a set of secondary unit development standards for a period of one year. Then, in 2008, an ordinance was adopted which permanently allowed secondary units that conform to modified Zoning Code requirements.	Facilitate the production of secondary units.	Ongoing	Per the Envision San Jose 2040 General Plan, the City continues to explore options to improve the effectiveness of the secondary unit provision (see Envision Policy H-2.5 and Action H-2.9).

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<p>4. California Building Standards Code The State Building Standards Commission (BSC) publishes triennial editions of the California Code of Regulations (CCR), Title 24, also known as the California Building Standards Code. Most recently, on July 1, 2013, the BSC published the 2013 edition of the standards, which apply to any building or structure for which application for a building permit is made on or after January 1, 2014.</p>	Protect the health, welfare, and safety of residents.	Ongoing	On November 5, 2013, the City Council approved an ordinance amending Title 24 of the San Jose Municipal Code and adopting the 2013 code editions, with local amendments.
<p>5. Public Outreach Policy A consistent public outreach policy was needed to improve communications, alleviate concerns, and clarify misunderstandings or points of contention that typically arise at a public hearing occurring late in the development review process.</p>	Involve interested parties in the development review process through early notification and accessibility of information.	Completed	In 2005, the City Council adopted the Public Outreach Policy, which includes requirements for public notice signage and, for larger development proposals, a community meeting.
<p>6. Enhanced High-Rise Design Review Process A process was needed to allow staff and decision makers to apply relevant sections of the Downtown Design Guidelines, be advised by the City's Architectural Review Committee (ARC), and receive public input on proposed high-rise development during both the Preliminary Review and entitlement phases.</p>	Support intensification of the Downtown and other major transit corridors and employment areas.	Completed	In 2007, the Enhanced High-Rise Design Review process was introduced, and is applicable to buildings 100 feet or more in

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			height.
7. Transit-Oriented Development (TOD) and Mid-Rise/High-Rise Residential Design Guidelines Design guidelines were needed for TOD and mid-rise/high-rise development providing specific parameters and a common understanding of the minimum design standards necessary to conduct the review process in an efficient manner.	Streamline the development review process, promote compact urban development, and facilitate quality design.	Completed	In 2007, the City adopted design guidelines applicable to TOD and mid-rise/high-rise residential projects.
8. Development Permit Reactivation/Extension As a result of the economic downturn, additional incentives and flexibility were needed to help applicants overcome various challenges in their desire to pursue the completion of entitled development projects.	Provide incentive for the implementation of projects impacted by the economic downturn.	Completed	In 2009, an ordinance was adopted to allow reactivation and/or extension of certain Development Permits for a limited time period. In 2012, an ordinance was adopted authorizing the Planning Director to extend Development Permits for small residential projects through a Permit Adjustment.
9. Discretionary Alternate Use Policy Flexibility In 2007, the City Council approved a General Plan text amendment	Streamline the entitlement process by avoiding need for the filing of a Planned	Completed / Superseded	With City Council approval of the Envision

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allowing Discretionary Alternate Use (DAU) policies to be applied via issuance of a Use Permit. Prior to approval of this measure, the use of DAU policies often required the filing of a Planned Development rezoning.	Development (PD) rezoning.		Plan, DAU policies were effectively superceded. Instead, new land use designations were developed to provide sufficient flexibility to allow urban, mixed use development types.
10. High Density Housing/Mixed Use in Conventional Zoning Greater flexibility was needed to respond to the growing trend towards construction of high density housing/mixed use in San Jose. In particular, the City wished to avoid need for applicants to file a Planned Development rezoning, and instead allow such projects to occur in a conventional zoning district with more flexible development standards.	Streamline the entitlement process by avoiding need for the filing of a Planned Development (PD) rezoning.	Completed	In 2012, a Zoning Code change increased densities within the conventional R-M zoning district, thereby allowing high density housing / mixed use via issuance of a Development Permit.
11. General Plan Designation for Commercial near Transit In 2008, the City Council approved amendments to the former General Plan 2020 that created a Transit Corridor Commercial (TCC) land use designation. The TCC designation was intended for areas with convenient transit access, including the Downtown, transit corridors, and proposed BART station areas.	Create new consumer markets in densely developed areas within a reasonable walking distance of major public transit facilities.	Completed	With City Council approval of the Envision Plan, a new Urban Village land use designations was developed to replace the

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12. Main Street Districts Ordinance The Main Street Districts ordinance established new zoning districts for mixed residential-commercial development. The ordinance provided significant parking reductions, and allowed further parking reductions based on shared parking facilities, car share programs or unbundled parking.	Streamline the entitlement process for mixed commercial-residential projects along neighborhood "Main Street" areas throughout the City.	Completed	TCC designation. On December 14, 2010, the City Council approved the Main Street Districts ordinance.
13. Alum Rock Corridor Policy Direction In 2009, the City Council applied the TCC general plan land use designation to over 55 acres of land along Alum Rock. Also, a policy document was approved to guide staff in creating a form-based zoning for the Alum Rock corridor.	Facilitate mixed commercial-residential projects on select properties along Alum Rock Avenue.	Completed	On October 22, 2013, the new Main Street districts were first applied in a Director-initiated rezoning of the Alum Rock corridor.
14. Zoning District for Urban Villages To encourage a full range of uses within Urban Villages, the Commercial Pedestrian (CP) zoning district was modified to add land uses applicable to Urban Villages, and development standards were modified for sites within Urban Villages.	Facilitate urban, transit-oriented development within Urban Village areas.	Completed	On January 14, 2014, the City Council approved the ordinance to modify the CP zoning district.
15. Integrated Development Services Introduce a fully functional Development Services Center, with an integrated, "one-stop" first-floor location where business related to development applications can be conducted. Development Services partners should include the Planning Division, Building Division, Public Works Department, and Fire Department, among others.	Locate staff in close proximity for improved coordination and customer convenience, avoiding customer visits to departments located on various floors of the 18-story City Hall tower.	Completed	A "one-stop" service approach was tested at Old City Hall. However, not until the organization's move to New City Hall in 2005

Table C

Program Implementation Status

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Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
			was a fully functional Development Center realized.
16. Application Submittal Process Evaluate opportunities to improve the process for submittal of applications at the Development Services Center without requiring an appointment.	Provide customers with expedited service and additional options for application submittal.	Completed	In 2013, key staff was relocated to the point of customer reception such that application submittals were further prioritized.
17. Online Customer Service Improve customer service by extending the reach of Development Services Center functions in making various services and resources available online. This includes scheduling appointments and inspections, obtaining general information and publications, and applying for simple permits (e.g., water heater replacement).	Provide customers with "self-help" opportunities to serve needs at their own convenience, without need to travel to City Hall.	Completed	In 2012, the City's website was migrated to a new technology platform that is better organized, contains self-subscribe notifications, and an application appointment scheduling system.
18. Transitional and Supportive Housing In 2007, the State of California passed legislation (SB 2) requiring local agencies to plan for and identify areas most appropriate for emergency shelters. This bill added provisions to require identification of a zone or zones where emergency shelters are allowed as a permitted use without	Comply with Senate Bill 2 (SB 2).	Completed	In 2010, the City Council approved a Zoning Code change defining "Transitional Housing" and

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a conditional use or other discretionary permit.			"Supportive Housing," and clarifying associated regulations.
19. Green Building Policy In October 2007, the City Council adopted the Green Vision, a 15-year plan with ten ambitious goals for economic growth, environmental sustainability, and an enhanced quality of life for San Jose's residents and businesses. Among these goals was Goal 4: Build or retrofit 50 million square feet of green buildings.	Facilitate achievement of Green Vision Goal 4, and comply with State law as it relates to energy conservation in residential development.	Completed	In 2008, the City Council approved the "Private Sector Green Building Policy for New Construction." More recently, on November 5, 2013, the City Council approved an ordinance adopting the 2013 edition of the State CALGreen Code.
20. Renewable Energy Use In October 2007, the City Council adopted the Green Vision, a 15-year plan with ten ambitious goals for economic growth, environmental sustainability, and an enhanced quality of life for San Jose's residents and businesses. Among these goals was Goal 2: Reduce per capita energy use by 50%.	Facilitate achievement of Green Vision Goal 2, and comply with State law as it relates to energy conservation in residential development.	Completed	In 2008, a Zoning Code amendment allowed additional height for renewable energy resources. In a more recent example, on January 14, 2014, the City Council approved addition of a new "Fuel Cell" Zoning Code land

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21. Residential Reuse of Historic Structures The "Historic Reuse" ordinance is designed to allow non-residential historic City Landmark structure to be converted to residential use with issuance of either a Conditional or Special Use Permit.	Facilitate conversion and reuse of historic structures for residential purposes.	Completed	use category. In 2010, the City Council approved the Historic Reuse ordinance.